

## Enclosure A

# **SUMMARY OF CHANGES TO THE 2001-2002 FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)**

Enclosure A contains information about changes made to the 2001-2002 Free Application for Federal Student Aid (FAFSA). The following is a list of the specific topics covered in Enclosure A:

- [Information about 2001-2002 FAFSA Ordering and Distribution](#)
- [Description of Changes to the 2001-2002 FAFSA](#)
- [Changes to Question #35 \(formerly Question #28\), the Drug Question](#)

## **2001-2002 FAFSA Ordering and Distribution**

### ***When Can You Order FAFSAs?***

You can order 2001-2002 FAFSAs now. Go to IFAP, and click on the link to “Ordering Publications.” Then click on the “Bulk Publication Ordering System” link. For more information about ordering your supply of 2001-2002 FAFSAs, see Dear Partner Letter GEN-00-14, on IFAP.

### ***When Will We Distribute FAFSAs?***

The initial distribution of 2001-2002 FAFSAs began in October 2000. We will ship FAFSAs in the order requests are made. Once shipped, allow 2-6 working days for delivery. We begin shipping Spanish FAFSAs in November 2000.

## **2001-2002 Free Application for Federal Student Aid**

In 1999-2000, the FAFSA underwent a major redesign as we trimmed it down from 16 to 8 pages. The 2000-2001 FAFSA was essentially a ‘roll-over’ of the 1999-2000 form, with very few changes. While there is certainly room for improvement, we think the redesign has been a success. A telling statistic is the reduction in the rejection rates for paper FAFSAs. Rejection rates for original paper FAFSAs through the first 6 months of processing are as follows:

1998-1999:	16%
1999-2000:	8.1%
2000-2001:	7.6%

The 2001-2002 FAFSA retains the core of the redesigned 1999-2000 and 2000-2001 FAFSAs, with a few significant changes made to improve the application. Building on the successes of these redesigned forms, 2001-2002 is a “year of refinement” as we continue to work to make the FAFSA better.

Many of the changes made to the 2001-2002 FAFSA were the result of feedback and comments from students, parents, financial aid administrators, and state aid agencies. Some of the best changes to the form came from suggestions from you, the financial aid professional. This is most true when you suggested alternate wording for us to use. We appreciate the contributions of all those who took the time to comment, and we

encourage you to continue to share your thoughts about the FAFSA and suggestions for improvements by sending them to us at:

U.S. Department of Education  
FAFSA Coordinator  
Application Processing  
ROB-3; Room 4621  
Washington, DC 20202-5454

We also performed seven rounds of usability testing on the 2001-2002 FAFSA with students and parents throughout the development process. This testing was driven by two goals:

- 1) Make the form friendlier, easier to understand, and less intimidating for students and parents, and
- 2) Get the best data possible from the most students and parents the first time.

With these goals in mind, testing showed us areas of the application where we could make improvements to the 2001-2002 FAFSA. It also allowed us to evaluate the effectiveness of suggested changes we received from public comments, listening sessions, and focus groups.

Keep an eye on IFAP this winter, when we will post *Federal Register* Notices requesting public comments on the 2002-2003 FAFSA.

## **Data Element Changes – 2001-2002 FAFSA**

### **Grade level (FAFSA question #30) values changed**

We made two changes to the grade level values for 2001-2002. First, we changed the values so that “1st year undergraduate/never attended college” is a 0 instead of a 1. We received a comment that this would make the values more intuitive, since a sophomore would be a 2 instead of a 3, a junior a 3 instead of a 4, and so on.

We also received requests to split the “graduate/professional or beyond” value. So for 2001-2002, “1st year graduate/professional” will be a 6, and “continuing graduate/professional or beyond” will be a 7.

Here is a complete list of the values for question 30 for 2001-2002:

- 0 = 1st year undergraduate/never attended college
- 1 = 1st year undergraduate/attended college before
- 2 = 2nd year undergraduate/sophomore

- 3 = 3rd year undergraduate/junior
- 4 = 4th year undergraduate/senior
- 5 = 5th year/other undergraduate
- 6 = 1st year graduate/professional
- 7 = continuing graduate/professional or beyond

### **First name (FAFSA question #2) expanded**

The first name field has been expanded from 9 characters to 12. We looked at 1999-2000 application data, and discovered that approximately 53,000 applicants reported their first name as “Christoph.” Christoph is a fine name. However, it is possible that some of these 53,000 are actually “Christophers” yearning to be free. In addition, there were approximately 550,000 applicants in 1999-2000 who used all nine characters of the first name field. So we decided to increase the length of the first name field.

Also, because NSLDS has a 12-character first name field, this change brings the CPS and NSLDS into closer alignment.

### **Address (#4) expanded**

During development of the 2001-2002 FAFSA, we received comments that the 28 character address field on the 2000-2001 FAFSA is not long enough for some students.

To better accommodate students with long street addresses, we have increased the street address field (FAFSA question #4) to 35 characters for 2001-2002. Because NSLDS uses a 35-character street address field, this change also brings the CPS and NSLDS into closer alignment.

### **“Do you have a driver’s license?” question deleted**

Question 11 on the 2000-2001 FAFSA reads, “Do you have a driver’s license?” To create space on page 3 for other changes, we deleted this question on the 2001-2002 FAFSA.

### **Drug question moved from #28 to #35, and revised**

We worked with students, schools, and states to develop alternate wording for the drug question that would be easier to understand and less likely to be left blank. This is the final wording:

- 35. Do not leave this question blank.** Have you ever been convicted of possessing or selling illegal drugs? If you have, answer “Yes,” complete and submit this application, and we will send you a worksheet in the mail for you to determine if your conviction affects your eligibility for aid.

Students then fill in a “Yes” or a “No” oval, just as they do with other Yes/No questions on the FAFSA.

Students who enter “No” to question 35 on the FAFSA will receive a “1” on their SARs. Students who enter “Yes” will receive a “3” on their SARs, indicating that they have a conviction which may affect their eligibility. These students will receive a drug worksheet with their SAR and a special SAR comment. They will use the worksheet to determine whether their conviction affects their eligibility for the 2001-2002 award year. If necessary, they can then correct their answer to question 35 using their SAR, via the Internet, or over the phone.

The SAR values for the drug question for 2001-2002 are similar to those used in 2000-2001:

Drug Conviction Affecting Eligibility?

1 = No

2 = Yes (Part-Year)

3 = Yes / Don’t Know

This new drug question wording does add a step for applicants who have a drug-related conviction. However, we believe that the advantages gained by having a Yes/No question outweigh the additional step for applicants who have convictions. The advantages are that the Yes/No question is easier to complete and more straightforward for the overwhelming majority of students, and will result in significantly fewer blanks.

See “Building a Better Drug Question,” below, for a more detailed description of the development and testing of the drug question.

### **Eligible to file 1040A/1040EZ (#38, #72) values changed**

For 2000-2001, the valid values for this question were “Yes” and “No/Don’t know.” Since this question can affect whether or not an applicant is eligible for the Simplified Needs Test (SNT) or an Automatic Zero EFC, an applicant’s answer can have a significant impact on his or her EFC.

We received a comment from a financial aid administrator that having “No” and “Don’t know” combined meant that she couldn’t determine whether a student or parent wasn’t eligible to file a 1040A/1040EZ or just didn’t know. She requested that we break out “Don’t know” as a separate value. This will allow schools to follow-up with students and parents who say “Don’t Know” to determine if they are eligible to file a 1040A/EZ, and therefore potentially for SNT or Automatic Zero EFC.

We asked other financial aid administrators if this would be a useful change for their schools, and most responded positively. So the valid values for questions 39 and 73 for 2001-2002 will be “Yes,” “No,” and “Don’t Know.”

See “Eligible to file 1040A/1040EZ notes revised (#38, #72),” below, for an important change to the notes for these questions.

### **Earned income credit moved to Worksheet A (#44, #78)**

We moved the earned income credit questions on the 2000-2001 FAFSA to Worksheet A. This change consolidated the untaxed income items in one place on the form (see below for details), and created space on pages 4 and 5.

### **Untaxed income worksheet split into Worksheets A and B (#44-45, #78-79)**

In the 1999-2000 redesign of the FAFSA, we moved a number of untaxed income items from the form itself to Worksheet A. Specifically, we moved untaxed Social Security benefits, AFDC/ADC/TANF, and child support received. We did this to create space on the form, and because very few applicants were reporting these types of income and benefits.

We have since heard from some schools and states that they would like these items added back to the form. While we don’t have room on the form to reintroduce these items as separate data elements, we wanted to see if we could somehow address this concern.

Some states and schools used these items when they were on the form to identify particularly needy applicants for additional aid. They could not use Worksheet A as it existed on the 1999-2000 and 2000-2001 FAFSAs to identify these applicants because it lumps these types of income and benefits together with items such as payments to tax-deferred pension plans and untaxed foreign income, which are not generally associated with our neediest students.

By splitting the untaxed income worksheet into two separate worksheets, we believe that it will be easier for schools and states to identify particularly needy students.

When we tested this change with students, we discovered an additional benefit to splitting the untaxed income worksheet into two smaller worksheets. Having a short, four-item worksheet first seemed to ‘encourage’ applicants to complete the worksheets more thoroughly. In usability testing, more applicants reviewed all worksheet items on page 8 when we had three shorter worksheets than they did when we had two longer ones. It appears as if the smaller worksheets are easier for applicants to complete, which makes it more likely that we will get complete information from applicants the first time around.

### **Business and investment farm questions combined (#48, #82)**

In 1999-2000, only 0.1% of students and 0.5% of parents reported investment farm information. To create space and reduce the number of questions on the application, we combined business net worth (#50 and #84 on the 2000-2001 FAFSA) and investment farm net worth (#51 and #85 on the 2000-2001 FAFSA) into questions 48 and 82 on the 2001-2002 FAFSA.

### **Cash/savings questions moved after asset questions (#49, #83)**

During usability testing, one item we focused on in particular was getting applicants to use our definition of “investments” rather than guessing. We had some success with revised wording (see below). It seemed that by asking for cash, savings, and checking account information just *before* asking for investment net worth, we were somehow priming applicants to guess about investments rather than using our instructions.

We tried moving cash, savings, and checking after the asset questions, and tested the form again. More applicants read the investment notes on page 2 when cash/savings was *after* the asset questions. So to try to get better data from applicants the first time, we have moved cash/savings for 2001-2002 to questions 49 and 83, which follow the investment questions.

### **Dependents other than a spouse question split (#55, #56)**

The “dependents other than a spouse” item on the 2000-2001 FAFSA was difficult for some students to understand. It said:

**57.** Answer “**Yes**” if:

- (1) You have children who receive more than half of their support from you; **or**
- (2) You have dependents (other than your children or spouse) who live with you and receive more than half of their support from you, now and through June 30, 2001.

To make this item easier to understand, we split this dependency status criteria into two actual questions (#55 and #56) for 2001-2002, as follows:

**55.** Do you have children who receive more than half of their support from you?

**56.** Do you have dependents (other than your children or spouse) who live with you and who receive more than half of their support from you, now and through June 30, 2002?

## Other 2001-2002 FAFSA Changes

-- Page 1 --

What we changed	Why we changed it
<p><b>Colors</b> – The 2001-2002 colors are green for student information, and purple for parent information. The green will be PANTONE 344U and the purple will be PANTONE 263U.</p>	<p>Green is the next color in our four-year color rotation of blue → yellow → pink → green.</p> <p>Purple has been our stable parent color since the 1999-2000 redesign.</p> <p><b>Note:</b> We originally thought that we would use PANTONE 331U for the green. However, as a result of printing samples, and testing them with the FAFSA processor, we changed to PANTONE 344U for the green.</p>
<p><b>Changed layout of page 1</b> – Page 1 of the FAFSA has been redesigned. The main instruction text is in a thinner column, and numbers have been added down the left margin roughly corresponding to:</p> <ul style="list-style-type: none"> <li>1 = What to do before you begin completing the FAFSA</li> <li>2 = What to do as you are filling out the FAFSA</li> <li>3 = What to do after you fill out the FAFSA</li> <li>4 = Begin completing the form</li> </ul>	<p>Usability testing on the 2000-2001 FAFSA design showed us that many students were intimidated by the column of text that ran completely across the page. Reducing the size of the column increased the likelihood that students and parents would read the information on page 1, while retaining the linear flow from the 1999-2000 FAFSA redesign.</p> <p>Adding the numbers down the side of the page ‘encourages’ applicants to read down the page. A whole page of text can be difficult to get through whereas a page of text broken into manageable steps is friendlier and less intimidating.</p>

## Other 2001-2002 FAFSA Changes

-- Page 1 --

What we changed	Why we changed it
<b>FAFSA on the Web banner added</b>	We are continuing our efforts to market FAFSA on the Web and get more students to submit their applications electronically. The increased prominence and graphical nature of the FAFSA on the Web banner on the 2001-2002 FAFSA should help increase awareness of the availability of our web-based application.
<b>State deadlines given their own column</b>	Moving the state deadlines into their own column served two purposes. It allowed us to condense the page 1 text into a thinner column, which makes it easier to read and less intimidating. It also increased the prominence of the deadlines, increasing student awareness that there were deadlines other than the federal processing deadlines that they needed to be aware of.
<b>Moved “unusual circumstances” information higher on page</b>	Interviews, focus groups, and listening sessions indicated that a primary concern of students and parents was that they did not know what to do if they had unusual circumstances. We moved the “unusual circumstances” language higher up on page 1 to increase its prominence.
<b>Deleted “or #2 pencil”</b>	The MDE reported that pencil lead is slightly reflective, which makes it more difficult to accurately capture data electronically. While we certainly won’t reject applications submitted in pencil, we wanted to encourage applicants to use dark ink instead.

## Other 2001-2002 FAFSA Changes

-- Page 1 --

What we changed	Why we changed it
<p><b>Updated P.O. Box</b> – For 2001-2002, original paper FAFSAs should be sent to:</p> <p style="padding-left: 40px;">Federal Student Aid Programs P.O. Box 4008 Mt. Vernon, IL 62864-8608</p>	<p>This is the 2001-2002 address for English FAFSAs.</p> <p>The address for 2001-2002 Spanish FAFSAs is:</p> <p style="padding-left: 40px;">Federal Student Aid Programs P.O. Box 4016 Mt. Vernon, IL 62864-8616</p> <p>The address for 2001-2002 FAFSAs from Pacific Islanders with no Social Security Numbers is (see Enclosure B for more details):</p> <p style="padding-left: 40px;">Federal Student Aid Programs P.O. Box 4010 Mt. Vernon, IL 62864-8610</p>
<p><b>Clarified deadlines</b> – We changed the FAFSA filing deadline section to clarify that we must actually receive the application by July 1, 2002 for it to be processed.</p> <p>In addition, we added language indicating that, “Your school must have your correct, complete information by your last day of enrollment in the 2001-2002 school year.”</p>	<p>We received comments that the old language might have misled students into thinking that they had until July 1, 2002 to submit their application.</p> <p>For 2001-2002, July 1, 2002 is the processing deadline because June 30, 2002 is a Sunday.</p> <p>We received numerous comments from schools that it was important for students to understand that they had to have their correct information to the school before their last day of enrollment. To increase awareness of this requirement, and to assist financial aid administrators, we added this information to page 1.</p>
<p><b>Added notice of availability of on-line status checking</b></p>	<p>In previous years, we let students know that they could call the Federal Student Aid Information Center to check the status of their applications. We wanted to let students know that they could now also check the status of their application on-line.</p>

What we changed	Why we changed it
<p><b>Deleted line from notes for eligible noncitizens (#14-15)</b> – We deleted the line, “You should check with your financial aid administrator at your school before completing this form.”</p>	<p>We removed this line to make space for changes to the investment and veteran notes (see below).</p>
<p><b>Foreign and Trust Territory notes combined (#37, #71)</b></p>	<p>We combined these notes to make space for changes to the investment and veteran notes (see below).</p>
<p><b>Eligible to file 1040A/1040EZ notes revised (#38, #72)</b></p> <ul style="list-style-type: none"> <li>• Deleted “capital gains” from first sentence</li> <li>• Changed “or capital gains” to “or is required to file Schedule D for capital gains” in second sentence</li> </ul>	<p>The IRS tax forms changed for 2000 to allow filers who only had capital gains distributions, such as those received from a mutual fund, and not capital gains that required the filer to submit Schedule D, such as those from buying and selling individual stocks, to submit a 1040A. This is a change from 1999 when capital gains of any type required filers to submit a 1040.</p> <p>We revised the notes to reflect this change to the IRS tax forms.</p>
<p><b>Investment notes revised (#47, #81)</b></p> <ul style="list-style-type: none"> <li>• Added “stock options”</li> <li>• Split into “do include” and “do not include” paragraphs</li> <li>• Specified cash, savings, and checking accounts as items not to include</li> </ul>	<p>During usability testing on the 2000-2001 version of these notes, we observed that many students and parents did not read the entire five line paragraph, and that those that did read it sometimes misunderstood what they read.</p> <p>To make these notes easier to read, we split the single large paragraph into two smaller ones. We began these with bold-faced “<b>Investments include</b>” and “<b>Investments do not include</b>” to reinforce that “investments” were specifically defined for purposes of this application.</p>

What we changed	Why we changed it
	<p>Testing indicated that the revised notes were easier to understand and more likely to be read by students and parents.</p> <p>We added stock options to clarify that we do consider them investments for federal financial aid purposes.</p> <p>After we moved cash/savings after investments on pages 4 and 5 (see above), we received a comment from a financial aid administrator that this could cause applicants to mistakenly double-count cash/savings by including it in investments. Although this did not occur in testing, we thought this was a valuable suggestion, so we added cash, savings, and checking accounts as items not to include as investments.</p>
<p><b>“Are you a veteran” notes revised (#58)</b></p> <ul style="list-style-type: none"><li>• Order of “Yes” and “No” paragraphs reversed</li><li>• Used term “active duty”</li><li>• Revised instructions for applicants who once were but are not currently in the National Guard or Reserves and were activated for duty for purposes other than training</li></ul>	<p>We received a comment from a financial aid administrator that since most students are not veterans, we should reverse the order of the paragraphs. So we did.</p> <p>Comments from multiple sources indicated that “active duty” as a term registered more with veterans than the term “active service” used on the 2000-2001 FAFSA.</p> <p>We received a comment that the notes on the 2000-2001 FAFSA might lead someone who was activated for non-training duty in the National Guard or Reserves, but was no longer in the National Guard or Reserves, to reply “No” incorrectly to this question. We used his suggested language to clarify that students who have been called to active duty for purposes other than training as a member of the National Guard or Reserves are considered veterans for SFA purposes, and should answer “Yes.”</p>

What we changed	Why we changed it
<b>Social Security Number (#8) and phone number (#10) separated</b>	We received comments from financial aid administrators and from our own MDE operators that having Social Security Number and phone number, which are similar numeric fields, on top of one another, as they appear on the 2000-2001 FAFSA, can lead students to incorrectly fill out one or both of these questions. So we moved them apart, putting them on the same line separated by date of birth (#9).
<b>Marital status question (#15) revised –</b> We changed the question wording itself from “Marital status as of today,” to an actual question, “What is your marital status as of today?”  We also changed the value “Married” to be “Married/Remarried”	We changed the wording of this item to make it a question and to be more consistent with other questions on the form.  We changed “I am married” to “I am married/remarried” to clarify that students who are both divorced (or widowed) and remarried should choose “married/remarried.”
<b>Enrollment status questions (#17-21) revised</b> <ul style="list-style-type: none"><li>• “Semester” and “Quarter” deleted</li><li>• Value of “Full time” changed to be “Full time/Not sure.”</li></ul>	During usability testing of the 2000-2001 FAFSA layout, applicants were often confused about the enrollment status questions. Students in traditional, two-semester programs regularly commented that their school “didn’t have a winter semester.” When we removed “semester” and “quarter” from the questions, students in these programs didn’t hesitate to either fill in winter as full time, or leave it blank.  This change had the added benefit of creating space, which allowed us to change the value of “Full time” to “Full time/Not sure.” We did this because students were not seeing the instruction on the 2000-2001 FAFSA to, “Mark ‘Full time’ if you are not sure.”

**-- Page 3 --**

<b>What we changed</b>	<b>Why we changed it</b>
<p><b>“Are you male?” question (#27) revised</b> – We reworded this item so that the question itself, “Are you male?” appeared first, and the explanation came second.</p>	<p>During testing we observed that some female students would read the first few words of this question, “Most male students must...” and skip this question. Since we consider a “No” to be more informative than a blank, we reworded the question so that the question itself appeared first. When we tested this change, no female students left the question blank.</p>

**-- Pages 4 and 5 --**

<b>What we changed</b>	<b>Why we changed it</b>
<p><b>Step Two notes revised</b> – Instructions for married students are moved out of the first sentence.</p> <p><b>“(the student)” added to question #36</b> – Question 36 revised to begin, “For 2000, have you (the student) competed...”</p>	<p>During usability testing, we observed that some dependent students would see the word “married” in the Step Two notes and immediately assume that Step Two was for parental information. While parents would soon discover that Step Two is actually for student information, we wanted to prevent this from happening.</p> <p>So we de-emphasized “married” in the Step Two notes by making the marriage instructions a second, separate sentence. In addition, we added “(the student)” to the first question in Step Two, question 36, to reinforce that this section is for student information.</p>

**-- Pages 4 and 5 --**

<b>What we changed</b>	<b>Why we changed it</b>
<p><b>Tax return questions (#36, #70) revised</b></p> <ul style="list-style-type: none"> <li>• Changed “filed” to “completed” in the question text</li> <li>• Changed “already filed” to “already completed”</li> <li>• For question 36 changed “I will file, but I have not yet filed” to “I will file, but I have not yet completed my return”</li> <li>• For question 70 changed “My parents will file, but they have not yet filed” to “My parents will file, but they have not yet completed their return”</li> </ul>	<p>We received numerous comments, primarily from financial aid administrators, that the wording on the 2000-2001 FAFSA, “I have already filed,” and “I will file, but I have not yet filed,” was misleading.</p> <p>Many applicants interpreted “filed” to mean “submitted to the IRS.” However, what we want to know is whether they have completed their tax return, regardless of whether or not they have submitted it to the IRS. Since many applicants fill out their tax returns, but do not submit them to the IRS until just before the April 15<sup>th</sup> deadline, many applicants were either waiting to submit their FAFSAs or indicating that they would file, but had not yet filed.</p> <p>For 2001-2002, to address these concerns, we have changed the wording to clarify that we want to know if that have “already completed” their return, or “will file, but have not yet completed” their return.</p>
<p><b>Layout of responses to tax return type questions (#37, #71) changed</b></p>	<p>During usability testing of the 2000-2001 FAFSA layout, we noticed that some students and parents were missing the Eligible to file 1040A/1040EZ questions.</p> <p>We changed the layout of the responses to the tax return questions (#37, #71). Doing this created white space around the response ovals for the ‘Eligible to file’ questions (#38, #72). This change worked well in subsequent testing, as applicants were less likely to miss these questions.</p>

**-- Pages 4 and 5 --**

<b>What we changed</b>	<b>Why we changed it</b>
<p><b>Asset questions (#47-48, #81-82) revised</b></p> <ul style="list-style-type: none"> <li>• Reworded as questions</li> <li>• Added “As of today”</li> </ul>	<p>As mentioned previously, one item we focused on in particular during usability testing was getting applicants to use our definition of “investments” rather than guessing. Rewording these items as actual questions, rather than just “current net worth of investments” or “current net worth of business,” seemed to encourage students and parents to read through the entire item, and consequently to go to the notes for this item on page 2.</p> <p>Adding “as of today” to the asset questions further reinforced that we want current net worth.</p>
<p><b>Graduate/professional student question revised</b> – We revised the graduate/professional question (#53) in Step Three to read, “Will you be working on a master’s or doctorate program (such as an MA, MBA, MD, JD, or Ph.D.) during the school year 2001-2002?”</p>	<p>See “The Story of Question 53,” below, for a detailed account of the development of the wording for this question for 2001-2002.</p>
<p><b>Parents’ marital status question (#59) revised</b></p> <ul style="list-style-type: none"> <li>• “Go to page 7” incorporated into question</li> <li>• Reworded as a question</li> <li>• Changed “married” to “married/remarried”</li> </ul>	<p>Another area we focused on during usability testing was getting dependent students to go to page 7 to find out who is considered a parent for Step Four. Early on, when we were testing the 2000-2001 layout and wording, we noticed that many applicants were not reading the instructions at the top of page 5, including the bold item that said, “See page 7 for who is considered a parent.”</p>

**-- Pages 4 and 5 --**

<b>What we changed</b>	<b>Why we changed it</b>
<b>Question #59, continued</b>	<p>So we moved this important instruction into the text of the first parent question. Subsequent testing indicated that this change produced the desired result, as applicants were more likely to refer to the notes at the top of page 7.</p> <p>We reworded this item as an actual question to make it friendlier, and to make it more consistent with other questions on the FAFSA.</p> <p>As we did with student marital status (#15), we changed the value “married” to “married/remarried” to clarify that parents who are both divorced (or widowed) and remarried should choose “married/remarried.”</p>
<b>Parents’ Social Security Numbers and names questions (#60-63) revised</b> <ul style="list-style-type: none"><li>• Changed specific references to “father’s” and “mother’s” to more general “parents” in question text</li><li>• Reworded as question</li><li>• Added instruction for parents without Social Security Numbers to use 000-00-0000</li></ul>	<p>We received a comment from a financial aid administrator that it was inconsistent to say “mother” and “father” when collecting SSNs, and say “parent” everywhere else in Step Four (with the exception of income from work (#76-77)). So we revised these questions to ask for, “parents’ Social Security Numbers and last names.” This change worked well in testing, as it ties in better with the “Who is considered a parent?” notes on page 7.</p> <p>As we did for a number of other questions on the 2001-2002 FAFSA, we reworded this item as an actual question to make it friendlier and more consistent with other questions.</p> <p>We also added instructions for parents who do not have SSNs, such as non-U.S. citizens.</p>

**-- Pages 4 and 5 --**

<b>What we changed</b>	<b>Why we changed it</b>
<b>Parent household (#64) and number in college (#65) questions revised</b> – Both of these questions were revised to more strongly encourage applicants to refer to the notes for these items on page 7.	Early testing suggested that “household” and “college students” were common enough terms that many applicants thought they knew what they meant without referring to the notes. Since these terms have specific meanings for federal financial aid purposes, we revised the notes to make it clearer that this is a term we define and to encourage applicants to use the notes on page 7 rather than guessing. Subsequent testing indicated that the revised wording did make it more likely that applicants would refer to the notes when answering these questions.

**-- Page 6 --**

<b>What we changed</b>	<b>Why we changed it</b>
<b>Student household (#84) and number in college (#85) questions revised</b> – Both of these questions were revised to more strongly encourage applicants to refer to the notes on page 7.	See parent household (#64) and number in college (#65), above, for the reason we changed these items.
<b>Step Six layout revised</b> <ul style="list-style-type: none"><li>• More space to write in name and address of colleges</li><li>• Housing plans returned to oval responses</li></ul>	Reformatting the preparer’s information section (see below) created a small amount of additional space, which was just enough to change the write-in fields for college name and address from two side-by-side boxes to two longer boxes, one on top of the other. This creates more usable space. In addition, this small amount of space was enough to allow us to return to the oval response fields for housing plans. Oval responses are more intuitive and easier to use than the code system used in 2000-2001.

**-- Page 6 --**

<b>What we changed</b>	<b>Why we changed it</b>
<p><b>Preparer's information (#100-102) separated graphically</b> – Preparer's name, firm, address, SSN, Employer ID number (EIN), signature and date are offset in their own black-bordered box at the bottom of the page. Field labels have been revised to specify that these are “preparer's” items.</p>	<p>During usability testing on the 2000-2001 FAFSA layout of page 6, we observed that some applicants would see “Social Security #,” and fill it in with their own. Some even commented that it was strange that we were asking for it twice.</p> <p>To clarify the distinction between the areas on this page that the student and parent are to fill out, and the ones for preparers, we graphically separated preparer's information in its own box at the bottom of the page. This had the added benefit of creating space which allowed some changes to Step Six (see above.) To further distinguish these items, we also added “preparer's” to the labels for these questions.</p> <p>Subsequent testing indicated that these changes had the desired result, as applicants understood much more clearly that these items were separate.</p>

**-- Page 7 --**

<b>What we changed</b>	<b>Why we changed it</b>
<p><b>Notes for Step Four revised</b></p> <ul style="list-style-type: none"><li>• Added general instruction that all questions in Step Four should be answered about these “parents,” even if student does not live with them</li><li>• Added term “stepparent”</li></ul>	<p>One particular focus of our usability testing while developing the 2001-2002 was getting applicants to refer to the notes for who is considered a parent (see above). Another focus was improving the notes themselves so that they were easier to understand.</p>

<b>What we changed</b>	<b>Why we changed it</b>
<b>Notes for Step Four, continued</b>	<p>We added a short, general paragraph at the top of the page explaining that applicants should use these notes to determine who is a parent, and then answer all questions in Step Four about that person or those people.</p> <p>In addition, to further clarify the notes, and as a result of numerous comments and suggestions from financial aid administrators, we added a note that explicitly says they should answer the questions about their parents even if they do not live with them. We also incorporated the term “stepparent,” since this is an area that seems to regularly generate some confusion among students of remarried parents.</p>
<b>Notes for number in college (#65, #85) revised</b> – We simplified the notes to indicate that the applicant should always include him- or herself as a college student.	<p>The 2000-2001 FAFSA says this, “Count yourself as a college student even if you will attend college less than half time in 2000-2001.” This is correct, but perhaps not as direct as “Always count yourself as a college student.”</p> <p>In addition to being more straightforward, this revised wording also clarifies the gray area of graduate students who may not immediately consider themselves in “college,” as opposed to “university” or “graduate school.”</p>

**-- Page 7 --**

<b>What we changed</b>	<b>Why we changed it</b>
<p><b>Operational impact survey language added to Paperwork Reduction Act statement on page 7</b> – Working with the Office of Management and Budget (OMB), we added a short paragraph at the bottom of page 7 that allows us to conduct operational impact surveys as needed to address unforeseen issues pertaining to application processing.</p>	<p>In February of 2000, as the first 2000-2001 FAFSAs were coming in, there was an issue with the high percentage of students who were leaving the drug question blank. To find out the reasons students were leaving this question blank, in order to properly address the situation, we called several hundred students who had left the question blank.</p> <p>Per the OMB terms of clearance of the 2001-2002 FAFSA, we submitted an addendum to the clearance package that will allow us, if necessary, to conduct “operational impact surveys,” like the drug question follow-up in February 2000. Any surveys of this nature that we conduct will be infrequent (on an as needed basis only), limited, and voluntary.</p>

**-- Page 8 --**

<b>What we changed</b>	<b>Why we changed it</b>
<p><b>Changed layout of page 8</b></p> <ul style="list-style-type: none"><li>• Removed unnecessary instruction</li><li>• Graphically distinguished worksheets</li></ul>	<p>During usability testing of the 2000-2001 FAFSA layout of the worksheets, we observed that few applicants who came to page 8 were reading the instructions. The concept of filling in worksheets items, totaling them, and copying the total to a question on the form was familiar to students and parents without being explicitly told on this page.</p>

<b>What we changed</b>	<b>Why we changed it</b>
<b>Layout of page 8, continued</b>	<p>We removed the instructions that weren't being read. This created a lot of space that we used to break the untaxed income worksheet, formerly Worksheet A, into two untaxed income worksheets, Worksheets A and B (see above). In addition, we were able to space the individual items out, creating a less cramped worksheet that was easier for applicants to use.</p> <p>We had received a comment from a financial aid administrator that the worksheets were not "distinctive" enough. So we added graphic elements, the rounded boxes, to clearly separate the three worksheets from one another.</p> <p>Subsequent testing indicated that these changes had a positive effect on the worksheets. Both students and parents were more likely to read and complete all items and all worksheets with the revised layout.</p>
<b>Additional child tax credit item added (Worksheet A)</b>	<p>We received a comment asking us if the additional child tax credit on the 1040 and the 1040A should be considered untaxed income on the FAFSA, and requesting that we add this item if it should be included.</p> <p>We researched this and determined that the additional child tax credit should be included, so we added this item to Worksheet A.</p>

What we changed	Why we changed it
<p><b>Untaxed Social Security benefits item revised (Worksheet A)</b> – We added “(such as SSI)” to this item.</p>	<p>We received a comment that this item might be easier to understand if we included an example, such as SSI.</p>
<p><b>Payments to tax-deferred pension and savings plans item revised (Worksheet B)</b> – We deleted, “Include untaxed portions of 401(k) and 403(b) plans.”</p>	<p>Since these two plans are already covered under the W-2 Form Box 13 codes listed, this instruction was redundant, and distracting to some applicants.</p> <p><b>Note:</b> On an earlier draft we had a line about W-2 Form Box 14, “Certain nonelective contributions may appear on the W-2 Form in Box 14.”</p> <p>Some employee nonelective contributions to pension and savings plans are reported in Box 14. These amounts should be included as untaxed income on the FAFSA. However, this instruction was confusing to some applicants because not all Box 14 amounts were to be included.</p> <p>Box 14 is labeled “Other” in the W-2 instructions. Amounts in Box 14 can be taxed or untaxed income, and may be reported elsewhere on the FAFSA. We were concerned that having a reference to Box 14 in this item would lead students and parents to include any amounts that appeared in Box 14 of their W-2’s.</p> <p>We plan to work on this item more for 2002-2003. Your suggestions for improved wording are welcome.</p>

What we changed	Why we changed it
<p><b>IRA deductions item revised (Worksheet B)</b> – We changed this item to read, “IRA deductions and payments to self-employed SEP, SIMPLE, and Keogh and other qualified plans from IRS Form 1040—total of lines 23 + 29 or 1040A—line 16.</p>	<p>The 1999 1040 uses this wording for this item, “Keogh and self-employed SEP and SIMPLE plans.” The draft of the 2000 1040, available on the IRS’ website, uses different wording, “Self-employed SEP, SIMPLE, and qualified plans.”</p> <p>While Keogh plans are still included in this tax return line item, we thought it might confuse some applicants that the term “Keogh” wasn’t on the 1040. So we revised this wording on the FAFSA to more closely match the language on the tax forms.</p>
<p><b>Veterans noneducation benefits item revised (Worksheet B)</b></p> <ul style="list-style-type: none"><li>• Added “Disability” as an example</li><li>• Combined with “VA Educational Work-Study” item previously in the “Any other untaxed income” item</li></ul>	<p>We received a comment that a common, if not the most common, form of veterans noneducation benefit was disability. So we added it.</p> <p>As part of our efforts to make the “Any other untaxed income” item easier to understand (see below), we moved “VA Educational Work-Study” from being an example of an untaxed income or benefit to being part of this item.</p>
<p><b>“Any other untaxed income” item revised (Worksheet B)</b></p> <ul style="list-style-type: none"><li>• Split block of text into two shorter paragraphs</li><li>• Moved VA Educational Work-Study to another Worksheet B item</li><li>• Made “don’t include” bold-faced</li><li>• Spelled out “Workforce Investment Act”</li></ul>	<p>During usability testing on the 2000-2001 layout of the worksheets, we observed that very few applicants were reading the entire “Any other untaxed income and benefits” item.</p>

<b>What we changed</b>	<b>Why we changed it</b>
<b>“Any other untaxed income” item (Worksheet B) continued</b>	<p>As we did with the investment notes (see above), we split a single large paragraph into two smaller ones, one for items to include and the other for items not to include. We highlighted the distinction between the two paragraphs by beginning the second paragraph with a bold-faced “don’t include.”</p> <p>We received a comment that some students didn’t know what “WIA” was. So we spelled out “Workforce Investment Act.”</p>
<b>Income exclusion worksheet now Worksheet C</b>	<p>See discussion of “Untaxed income worksheet split into Worksheets A and B (#44-45, #78-79)” in the Data Element Change section, above.</p>
<b>Student aid in AGI item revised (Worksheet C)</b> <ul style="list-style-type: none"><li>• Combined AmeriCorps item and taxed student aid item</li><li>• Removed FAFSA question references</li></ul>	<p>We received comments that the wording of the AmeriCorps item as it appeared on the 2000-2001 FAFSA was confusing. It was unclear that AmeriCorps “living expenses” should be included in one item, and non-living expense award amounts should be included in the “Student grant and scholarship...” item below.</p> <p>In addition, during usability testing on the 2000-2001 FAFSA layout of the worksheets, we noticed that applicants had significant trouble with the way the ‘taxed student aid’ item was worded. Aside from general difficulty in understanding what information we were trying to collect, some applicants were confused by the references to questions 40 and 74. They didn’t</p>

**-- Page 8 --**

<b>What we changed</b>	<b>Why we changed it</b>
<b>Student aid in AGI (Worksheet C) continued</b>	<p>understand that we were referring them back to FAFSA questions, and, as such, some applicants looked to lines 40 and 74 of their tax returns. This was understandable given that all other line item references on page 8 are to income tax return items.</p> <p>So we combined the AmeriCorps and 'taxed student aid' items, and used the general term "adjusted gross income" rather than refer applicants back to the AGI question on the FAFSA. Subsequent testing indicated that this change was an improvement, but that this item could bear some additional improvement. We'll be working on this for 2002-2003, and your suggestions are welcome.</p>

**-- Envelope and Postcard --**

The envelope and postcard were not significantly changed for 2001-2002.

We did move the color bar on the envelope from the bottom, to the top, above the return address. We did this to help MDE operators distinguish between FAFSAs and other mail, such as Renewal FAFSAs, FAFSA on the Web signature pages, etc., when they are in mail bins.

## Building a Better Drug Question

### The Development and Testing of Question 35

#### I. Background

As a result of changes to the law made by the 1998 Reauthorization of the Higher Education Act we added this ‘drug question’ to the 2000-2001 FAFSA:

- 28.** If you have **never** been convicted of any illegal drug offense, enter “1” in the box and go to question 29. A drug-related conviction does not necessarily make you ineligible for aid; call 1-800-433-3243 or go to <http://www.fafsa.ed.gov/q28> to find out how to fill out this question.

Students who had drug convictions were supposed to call the toll-free number or go to the website, and determine if their conviction(s) affected their eligibility for federal student financial aid. The possible responses for this question were:

- Drug Conviction Eligibility?
- 1 = Eligible For Aid
  - 2 = Part-year Eligibility
  - 3 = Ineligible
  - <blank>

This question was confusing for many applicants, and as a result, in February as many as 20% of applicants had initially left the question blank.

To alleviate confusion for students, and in response to concerns from the financial aid community, we took action in February 2000, and changed the way the Central Processing System (CPS) treats a blank response to this question.

1. We called students who had left the question blank. The results of these calls indicated that most students who had left the question blank did so because they skipped the question and forgot to go back to it (83%), or because they did not understand the question (17%). Students did not report that they were leaving it blank because they did not know their drug conviction status.
2. We changed the CPS edits so that a blank in question 28 would not set a Student Aid Report (SAR) “C” flag. We revised the SAR comment that resulted from a blank to stress to students who had a prior drug conviction that they must provide an answer to question 28.

3. We changed the automated voice response system at the Federal Student Aid Information Center to record and transmit the student's telephonic response to question 28 to the CPS.

At the same time, we also gave operators at the Federal Student Aid Information Center the ability to make changes to a student's answer to question 28 over the phone.

4. We issued an electronic announcement via IFAP to the financial aid community describing these changes on February 24, 2000.

Since then, the percentage of students with question 28 blank, both on their initial application and on corrections, has declined significantly. As of September 10, 2000, out of 8,167,273 total applications, 770,300 students left the question blank on their initial application (9.4%), and only 279,525 still have the question blank on their latest record (3.4%).

## **II. Building a Better Drug Question**

### **First Improvements**

The first thing we did in developing the 2001-2002 drug question was move the question from 28 to 35, at the bottom of page 3. We did this to:

1. Increase its prominence, reducing the likelihood that it will be left blank, and
2. Move the question out from under the instruction at the top of the page that directs applicants to leave blank any questions on page 3 that do not apply to them.

In addition, we added a bold indicator next to the question which says, "**DO NOT LEAVE QUESTION 35 BLANK.**"

We tested the question in this position during two rounds of usability testing in May with a mix of dependent students and their parents and independent students and their spouses, if they were married. Having the drug question in this position worked well, as no applicants left the question blank during this testing.

### **Student Testing and Focus Groups**

We worked with students, schools, and states to develop alternate wording for this question that would be easier to understand. We came up with four variations, some that used the 'enter a code' model from the 2000-2001 FAFSA, and some that used the

Yes/No model. We tested these versions of the drug question with our SFA interns and with students at four schools.

The Yes/No model was clearly the easiest for students to understand. Students ranked each of the four test questions on a scale on 1 (very easy) to 5 (very hard). Draft D was rated the easiest, with an average score of 1.52. When asked which of the four questions was the easiest to understand, three out of four students picked Draft D.

### III. Outcome

Testing with students gave us a high degree of confidence that we had developed wording that was easy to understand for most students, and unlikely to be left blank. This is how the wording will appear on the 2001-2002 FAFSA:

**35. Do not leave this question blank.** Have you ever been convicted of possessing or selling illegal drugs? If you have, answer “Yes,” complete and submit this application, and we will send you a worksheet in the mail for you to determine if your conviction affects your eligibility for aid.

Students then fill in a “Yes” or a “No” oval, just as they do with other Yes/No questions on the FAFSA. See Appendix F to see how this question will appear on page 3 of the 2001-2002 FAFSA.

Students who enter “No” to question 35 on the FAFSA will receive a “1” on their SARs. Students who enter “Yes” will receive a “3” on their SARs, indicating that they have a conviction which may affect their eligibility. These students will receive a drug worksheet with their SAR and a special SAR comment. They will use the worksheet to determine whether their conviction affects their eligibility. They can then correct their answer to question 35 using their SAR, via the Internet, or over the phone.

The SAR values for the drug question for 2001-2002 are similar to those for 2000-2001:

Drug Conviction Affecting Eligibility?

1 = No

2 = Yes (Part-Year)

3 = Yes / Don't Know

<blank>

Students who leave the question blank will receive a SAR comment stressing that they must answer question 35. They will receive a worksheet with their SAR to help them determine whether any convictions they have will affect their eligibility for aid.

In addition to all regular means of making corrections to student data through the SAR or via Corrections on the Web, we are also retaining all of the special means of correction we put into place for this question for 2000-2001:

1. Students will still be able to make corrections to their data via the automated voice response system at the Federal Student Aid Information Center.
2. Operators at the Federal Student Aid Information Center will still be able to make corrections to this question over the phone (provided the student gives the proper identifying information.)

#### **IV. Conclusion**

We learned valuable lessons in 2000-2001 about thoroughly reviewing changes to the FAFSA with students. We incorporated student testing and focus groups throughout the development of the 2001-2002 FAFSA, and the drug question is no exception.

This new drug question wording does add a step for applicants who have a drug-related conviction. However, the advantages gained by having a Yes/No question outweigh the additional step for applicants who have convictions. The advantages are that the Yes/No question is demonstrably easier to complete and more straightforward for the overwhelming majority of students, and will result in significantly fewer blanks.

### **The Story of Question 53** **“Are you a graduate or professional student?”**

It should be so simple. The Higher Education Act says

**SEC. 480. [20 U.S.C. 1087vv] DEFINITIONS.**

- (d) INDEPENDENT STUDENT.—The term “independent”, when used with respect to a student, means any individual who—
- (4) is a graduate or professional student;

In many ways, this question is representative of the FAFSA as a whole. For us, as financial aid professionals, whether a student is a graduate or professional student is fairly straightforward. However, the FAFSA is the single federal financial aid application for all postsecondary students in the United States. So this single question has to be understood and correctly answered by everyone, from the high school senior who is preparing to go to college for the first time, to the graduate student working to finish up a Ph.D., and everyone in between.

Here's the question from the 1998-99 FAFSA:

Will you be enrolled in a graduate or professional program (beyond a bachelor's degree) in 1998-99?

During the 1999-2000 redesign of the FAFSA, we learned that the terms "graduate" and "professional" are easily misunderstood. This is especially true for first-time applicants. Many high school students, reading this question, think to themselves, "Well, I will have graduated from high school in 2001-2002, so I must be a **graduate** student." Similarly, students who will enroll in some undergraduate programs, such as accounting, nursing, or computer technology, which lead to certain professions, may say to themselves, "I am studying to be in a particular profession, therefore I am in a **professional** program."

So we changed the question for 1999-2000 to:

Will you be working on a degree beyond a bachelor's degree in school year 1999-2000?

This wording successfully avoided the problems associated with "graduate" and "professional." However, as we heard from your comments in 1999-2000 and 2000-2001, the wording was still not as clear as it could be.

So for 2001-2002, we were very interested in finding wording that was easier to understand, and elicited a consistently correct response from a wide spectrum of graduate and undergraduate students. For the first three rounds of usability testing, we tried these three versions of the wording:

Will you be working on a degree beyond a bachelor's degree in school year 2001-2002?

Will you be working on a masters, doctorate, or professional degree in the school year 2001-2002?

Will you be enrolled in a graduate or professional degree program (such as a masters, doctorate, or medical degree, etc.) that is beyond a bachelor's degree program in the school year 2001-2002?

Each of these rounds had seven to nine students, with a mix of dependent and independent students. In each round, one to three students answered this question incorrectly. This was discouraging.

Reviewing the comments we had received on this issue, we worked closely with students, schools, and states to come up with new wording to test:

Will you be working on a masters, doctorate, or professional degree program (such as an MD, JD, MA, MBA, PhD, etc.) during the school year 2001-2002?

We ran this wording through two rounds with nine students each, one dependent group, and one independent group with a mix of graduate and undergraduate students. There were no mistakes. Now we were on to something, but there were two potential problems:

- “Professional undergraduates,” such as those in pharmacy or architecture, might answer “Yes” to this when they should answer “No.” Basically, this is the same problem we already knew we had with the word “professional.” So the word “professional” had to go.
- Students enrolled in graduate certificate programs (as opposed to graduate degree programs) might answer “No” to this when they should answer “Yes.” So we dropped “degree” too. That left us with wording similar to the Draft D wording that had tested so well.

Will you be working on a master’s or doctorate program (such as an MA, MBA, MD, JD, or Ph.D., etc.) during the school year 2001-2002?

We tested the wording, again with two rounds of students, one dependent group, and one independent group with a mix of graduate and undergraduate students. And again, there were no mistakes.

So that’s our wording for this question for 2001-2002. We’re excited about this new wording, and hope that more students will get this important question right the first time when applying for aid in 2001-2002.